

# Testimony of Robert Bishop

*Consumer Witness*

June 22, 2004

Good Morning. Thank you Senator Bayh for your words of introduction.

My name is Robert Bishop. I reside with my wife in Carmel, Indiana and except for two years while on rotational assignment have always lived in Indiana. My wife and I have five grown children all of whom are married and gainfully employed. We have nine grandchildren. I am 70 years old.

Until my retirement in early 1991 I was employed for 39 years by the Indiana Bell Telephone Company which was at that time part of Ameritech. Most of my career I was involved in network planning where we planned and conducted economic comparison studies dealing in large part with the timing and economic feasibility of introducing new technologies into the telephone network.

Long Term Care Insurance was not a priority item with me until I attended a broker/client meeting in, I believe, the year 2000 where Indiana's Partnership Program was explained. The meeting awakened me to the substantial risk I was exposing my estate to and to the potential hardship, both economic and emotional, I was placing in the path of my family by not owning Long Term Care Insurance. This realization along with the knowledge that I could permanently protect some of my assets under the Partnership plan caused me to purchase a limited amount of insurance and to take advantage of the Partnership protection.

Anticipating my wife would outlive me and probably live well into her eighties as her Mother and Grandmother did, I chose to buy a larger amount of insurance for her which qualified for 100% protection of her assets. Due to cash flow constraints I purchased a lesser amount of insurance for myself qualifying me for dollar-for-dollar Partnership asset protection.

Premiums for long term care insurance are not insignificant, particularly when you wait as late in life as I did to purchase it. Consequently, I feel that I am somewhat underinsured. However, whenever a major purchase is considered, one must weigh many factors including present and future cash flow constraints, probable inflation rates, and in this case the stability and long term prospects of the insurance company. When on a fixed income, these considerations become even more critical. On the other hand, had I moved ahead years earlier while still working, I would not have been able to benefit from the Partnership plan.

While the existence of the Partnership Program was not in and of itself the reason I purchased the insurance, it was certainly a very significant motivator. The Partnership plan is indeed a blessing. To me, it would be devastating and shattering for a person to

work his entire life, successfully raise a family, then retire with the notion that he can live out his days using the proceeds from an accumulated nest egg only to die in poverty because of circumstances brought about by something completely beyond his control. I don't want that to happen to me or my wife. I don't want to lose that sense of pride and accomplishment that one has when he's run a good race.

Thank you for the opportunity to appear before you this morning. I'll be happy to take any questions you may have.